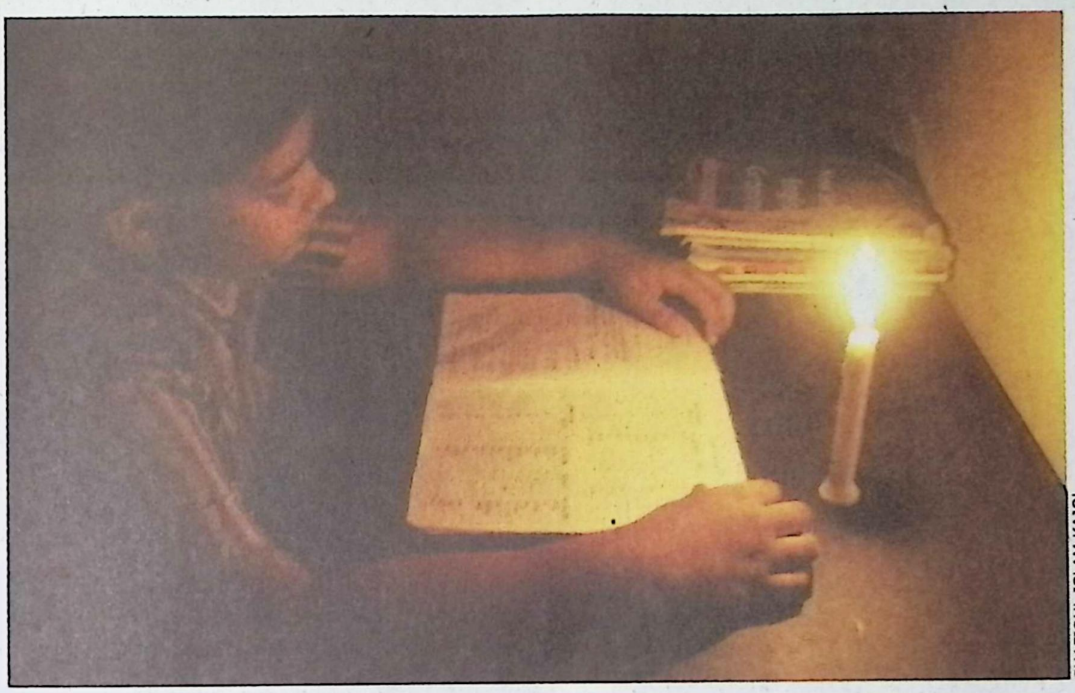


SHAFIQUL ISLAM KAJOL

Agencies like the Power Cell, Electricity Generation Company of Bangladesh (EGCB) and North West Power Generation Company Ltd (NWPGC) also appear to be submissive to pressure from various business lobbies, he says.

It is alleged that the tenders floated by these agencies are being delayed mainly because of pressure from the lobbies, which want the agencies to award the contracts to companies that they represent -- although they are not qualified for the jobs.

"Finally, the donors also play a confusing role. If we involve donors like the World Bank or Asian Development Bank, you would expect them to guide us through the tenders smoothly. In reality, they impose various conditions and create confusion that bogs down the tender processes," the official confided.

Right now, most of the power tenders are being handled by the PDB and the prime minister has given all out support to the agency to speed up the tender process. One such measure is giving legal coverage to the PDB to sign emergency power deals based on unsolicited negotiations.

The PDB has meanwhile floated tender to build a 40 km power transmission line and a high voltage sub-station on the south-western border of the country that would enable power transmission from India. The $150 million tender would allow the PDB to import 250 to 500 MW power after this system is set up within two years. The PDB hopes to complete the tender process within August-September.

The PDB has also initiated the process to set up a 1,350 MW coal-fired power-plant with Indian national power company NTPC in Mongla and another 1,350 MW plant in Chittagong with the private sector. To make these projects successful, the government is carrying out a feasibility study which should be completed by July-August. After this the PDB would float the tender for the Chittagong plant and finalise deal with the NTPC for the Mongla plant -- all within this year.

Finally, the government aims at signing a nuclear power deal with Russia -- with whom the government last year signed a memorandum of understanding on the same issue -- during an upcoming visit by the prime minister to Russia. If this deal is signed, Russia would finance and build a 2,000 MW nuclear power plant at Rooppur. However this deal is still uncertain.

If these deals can be ensured (minus the nuclear power deal), the government may be able to keep its political promise to eliminate load-shedding by the year 2014. If not, the ruling party will pay dearly in the next election.

The year 2010 is a vital year for the Awami League government to prove that it does not just make promises, but that it can it deliver on them.

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